

as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Exchange consents, the Commission will:

- (a) By order approve such proposed rule change, or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-95-20 and should be submitted by May 4, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Jonathan G. Katz,
Secretary.

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[Release No. 34-35569; File Nos. SR-MCC-95-01 and SR-MSTC-95-04]

Self-Regulatory Organizations; Midwest Clearing Corporation and Midwest Securities Trust Co.; Notice of Proposed Rule Changes Relating to Indemnification of Committees

April 5, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on February 8, 1995 and January 14, 1995, respectively, the Midwest Clearing Corporation ("MCC") and the Midwest

Securities Trust Co. ("MSTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule changes as described in Items I, II, and III below, which items have been prepared mainly by MCC and MSTC, self-regulatory organizations ("SROs"). The Commission is publishing this notice to solicit comments on the proposed rule changes from interested persons.

I. Self-Regulatory Organizations' Statement of the Terms of Substance of the Proposed Rule Changes

The proposed rule changes will amend MCC's and MSTC's mandatory indemnifications requirements, which are set forth in Article 6, Section 1 of MCC's By-Laws and Article VI, Section 1 of MSTC's By-Laws by requiring MCC and MSTC to indemnify members of their committees.

II. Self-Regulatory Organizations' Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

In their filings with the Commission, MCC and MSTC included statements concerning the purpose of and basis for the proposed rule changes and discussed any comments they received on the proposed rule changes. The text of these statements may be examined at the places specified in Item IV below. MCC and MSTC have prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

(A) Self-Regulatory Organizations' Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

MCC and MSTC currently have provision in their By-Laws (i.e., Article 6, Section 1 of the MCC's By-Laws and Article VI, Section 1 of MSTC's By-Laws) that requires MCC and MSTC to indemnify, to the fullest extent permitted by the General Corporation Law of Delaware, any person who was or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he is or was a director or officer of MCC or of MSTC or was or is serving at MCC's or MSTC's request as a director or officer of another corporation, partnership, joint venture, trust, or other committee. The purpose of the proposed rule changes is to give members of MCC's and MSTC's committees, including members of their Risk Assessment Committees, the same indemnification protection that is

currently given to MCC's and MSTC's directors and officers.²

MCC and MSTC believe that the proposed rule changes are consistent with Section 17A of the Act³ in that they will remove impediments from MCC's and MSTC's efforts to attract competent persons to serve on their committees, such as their Risk Assessment Committees. Thus, MCC and MSTC believe that the proposed rule changes will help them in providing fair procedure with respect to: (1) The disciplining of participants, (2) the denial of participation to any person seeking participation, and (3) the prohibition or limitation by MCC or MSTC of any person with respect to access to services.

(B) Self-Regulatory Organizations' Statement on Burden on Competition

MCC and MSTC believe that no burden will be placed on competition as a result of the proposed rule changes.

(C) Self-Regulatory Organizations' Statement on Comments on the Proposed Rule Changes Received From Members, Participants or Others

MCC and MSTC have neither solicited nor received any comments on this rule proposal.

III. Date of Effectiveness of the Proposed Rule Changes and Timing for Commission Action

Within thirty-five days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organizations consent, the Commission will:

- (A) By order approve the proposed rule changes or
- (B) Institute proceedings to determine whether the proposed rule changes should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the

² Under MCC's and MSTC's rules, their Risk Assessment Committees have substantial authority. This includes, among other things, the authority to determine: (1) Whether a participant that has failed to make timely payment to MCC should continue as a participant, (2) whether a participant has been responsible for fraudulent or dishonest conduct, and (3) whether a participant poses a financial risk to MCC. See MCC Rules, Article VIII, Rule 2; MSTC Rules, Article V, Rule 2.

³ 15 U.S.C. 78q-1 (1988).

⁹ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1) (1988).

Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submissions, all subsequent amendments, all written statements with respect to the proposed rule changes that are filed with the Commission, and all written communications relating to the proposed rule changes between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section and at the principal offices of MCC and MSTC. All submissions should refer to File Nos. SR-MCC-95-01 and SR-MSTC 95-04 and should be submitted by May 4, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁴

Jonathan G. Katz,
Secretary.

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[Release No. 34-35568; File No. SR-NYSE-95-03]

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Fees for the Initial Comparison of Equity Security Trade Sides Submitted for Comparison Through the On-Line Comparison System

April 5, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on February 21, 1995, the New York Stock Exchange, Inc. ("NYSE") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-NYSE-95-03) as described in Items I, II, and III below, which Items have been prepared primarily by NYSE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The rule change modifies NYSE's fee structure for trade comparison. Commencing on or about March 1, 1995, NYSE will charge participants for the comparison of each side of a trade in an

equity security² submitted to it on the day of the trade ("initial trade data") through its On-Line Comparison System ("OCS"). NYSE has not previously charged for this service.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NYSE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NYSE has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

On August 15, 1994, NYSE began requiring its clearing members to submit listed equity comparison data to NYSE's OCS within two hours of the time of a trade's execution or at two-hour intervals (e.g., 12:00 noon, 2:00 p.m., 4:00 p.m., and 6:00 p.m.) on each business day.³ Under this procedure, by the end of each trading day NYSE forwards the day's initial trade data, which consists of both compared and un-compared trades, to a qualified clearing agency for final processing.⁴ From August 1994 to date, NYSE has provided these OCS services to its clearing members without charge. NYSE states, however, that its costs for providing these services have been rising due to increased usage and that it now proposes to recoup some of these additional costs by charging a processing fee based on the number of

² For the purposes of this rule proposal, NYSE is using the term "side" to mean a purchase or a sale that consists of two or more separate transactions made with the same firm, in the same security, at the same price, on the same side of the market, and which have been added together and submitted for comparison as one item. NYSE refers to this process as summarization.

³ For background on NYSE's trade date comparison procedure, refer to Securities Exchange Act Release No. 34153 (June 3, 1994), 59 FR 30071 [File No. SR-NYSE-94-08] (order approving proposed rule change).

⁴ For the purpose of this rule proposal, the term "qualified clearing agency" means a clearing agency that: (1) is registered under the Act, (2) maintains facilities through which NYSE's trades may be compared or settled, (3) has agreed to supply NYSE with data in connection with NYSE's compliance duties under the Act, and (4) has agreed to establish rules and procedures to facilitate the comparison of transactions as provided in NYSE Rule 130 (i.e., NYSE's principal rule governing trade comparison). NYSE Rule 130, Supplementary Material .10 and NYSE Rule 132, Supplementary Material .10.

shares per sides. While the NYSE will continue charging no fee for sides from one share to 999 shares, the fee for each side from 1,000 shares to 2,999 shares will be \$0.06, and the fee for each side for 3,000 shares to any higher amount will be \$0.18. As noted, the NYSE will commence charging this new fee on or about March 1, 1995.

NYSE believes the rule change provides for the equitable allocation of fees among its members. Therefore, NYSE believes the rule change is consistent with the requirements of the Act and particularly with Section 6(b)(4) of the Act.⁵

B. Self-Regulatory Organization's Statement on Burden on Competition

NYSE believes that the proposed rule changes will not impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

NYSE has neither solicited nor received any written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁶ and subparagraph (e)(2) of Rule 19b-4 thereunder because it establishes a due, fee, or other charge imposed by NYSE.⁷ At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the

⁵ 15 U.S.C. 78q-1(f)(4) (1988).

⁶ 15 U.S.C. 78s(b)(3)(A)(ii) (1988).

⁷ 17 CFR 204.19b-4(e)(4) (1994).

⁴ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1) (1988).